

BOARD BILL NO. 198CS

INTRODUCED BY: Alderman Alfred Wessels, Jr.

1 An ordinance, recommended by the Board of Estimate and Apportionment, authorizing the
2 Mayor of the City of St. Louis, on behalf of the City, to submit a 2014 Annual Plan to the United
3 States Department of Housing and Urban Development ("HUD") as required to apply for funding
4 under the Federal Community Development Block Grant ("CDBG"), HOME Investment Partnership
5 ("HOME"), Emergency Solutions Grant ("ESG") and Housing Opportunities for Persons with AIDS
6 ("HOPWA") Entitlement Programs, authorizing and directing the Mayor and the Comptroller on
7 behalf of the City to enter into and execute agreements with HUD for the receipt of 2014 CDBG,
8 HOME, ESG and HOPWA funds, appropriating the sum of Sixteen Million Five Hundred Ninety
9 Six Thousand Eight Hundred Eighty One Dollars (\$16,596,881) which the City estimates will be
10 available for the 2014 CDBG Program Year; appropriating the sum of Two Million Two Hundred
11 Sixty Thousand Eight Hundred One Dollars (\$2,260,801) which the City estimates will be available
12 for the 2014 HOME Program Year; appropriating the sum of One Million One Hundred Fifty Seven
13 Thousand Nine Hundred Forty Two Dollars (\$1,157,942) which the City estimates will be available
14 for the 2014 ESG Program Year; and appropriating the sum of One Million Two Hundred Fifty
15 Thousand Seventy Three Dollars (\$1,250,073) which the City estimates will be available for the
16 2014 HOPWA Program Year, authorizing and directing the Director of the Community
17 Development Administration ("CDA") to contract with municipal agencies, non-profit corporations
18 and other entities, as necessary for the expenditure of CDBG and HOME funds, to establish and
19 implement a lump sum drawdown procedure for the purpose of financing property rehabilitation
20 activities, to establish and implement a program to guarantee in whole or in part construction loans
21 from private financial institutions, and/or to establish and implement a procedure for providing
22 financial assistance to CDBG-eligible undertakings through float loan financing, authorizing and

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1 directing the Director of the Department of Human Services ("DHS") to contract with municipal
2 agencies, non-profit corporations and other entities, as necessary for the expenditure of ESG funds,
3 authorizing and directing the Director of Health and Hospitals to contract with municipal agencies,
4 non-profit corporations and other entities, as necessary for the expenditure of HOPWA funds, and
5 directing the Comptroller to issue warrants thereon upon the City Treasury; and containing an
6 emergency clause.

7 WHEREAS, in 2012 the St. Louis HUD Field Office initiated a Technical Assistance request
8 for the City to enhance the City's ability to address capacity gaps identified during an on-site needs
9 assessment spurred by HUD's OneCPD Technical Assistance Office; and

10 WHEREAS, subsequent HUD Technical Assistance Team reviews and site visits resulted in
11 a requirement from HUD that the City's process for evaluating proposals to be funded with
12 CDBG and HOME funds and awarding those funds to subrecipients and others be redesigned;
13 and

14 WHEREAS, HUD is now scrutinizing the Consolidated Planning and budgeting
15 processes employed by the City of St. Louis to insure compliance with all applicable federal
16 statutes, regulations and policy guidance; and

17 WHEREAS, the City must assure HUD that allocation and management of CDBG and
18 HOME funds are carried out such as to achieve maximum community and housing development
19 impact and benefit; and

20 WHEREAS, by failing to implement a redesigned process the City places at risk its
21 receipt of HUD 2014 CDBG and HOME allocations; and

22 WHEREAS, by failing to implement such a redesigned process the City further risks
23 demands for the repayment of CDBG and HOME funds expended in prior program years; and,

1 WHEREAS, such payback funds must be obtained by the City from non-federal funding
2 sources; and,

3 WHEREAS, HUD has stated that failure by the City to implement a fair, consistent, and
4 transparent process for the allocation, use, and accounting of CDBG and HOME funds will
5 ultimately harm the very individuals that the programs were designed to assist; and

6 WHEREAS, 2014 CDBG, HOME, ESG and HOPWA funding will become available on
7 January 1, 2014; and

8 WHEREAS, in order to receive these funds, the City of St. Louis must immediately
9 implement the proposed redesign and submit to HUD a 2014 Annual Plan by November 15,
10 2013; and

11 WHEREAS, it is estimated that the 2014 CDBG Entitlement, together with previous year
12 CDBG funds available for re-allocation, CDBG Program Income generated by activities conducted
13 with previous year CDBG funds that have not yet been appropriated for any purpose and CDBG
14 Program Income estimated to be generated by activities conducted in 2014 with CDBG funds, will
15 amount to the sum of Sixteen Million Five Hundred Ninety Six Thousand Eight Hundred Eighty
16 Eight Dollars (\$16,596,881); and

17 WHEREAS, the City has identified certain known appropriation needs as summarized in
18 Exhibit A, and the City desires to appropriate the CDBG Entitlement and Program Income Funds for
19 these needs, to establish and implement a lump sum drawdown procedure to finance and facilitate
20 property rehabilitation activities to establish and implement a program to guarantee in whole or in
21 part construction loans from private financial institutions, and to establish and implement a
22 procedure for providing financial assistance to CDBG-eligible undertakings through float loan
23 financing, and

1 WHEREAS, it is estimated that the 2014 HOME Entitlement, together with previous year
2 HOME funds available for allocation, HOME Program Income generated by activities conducted
3 with previous year HOME funds that have not yet been appropriated for any purpose and HOME
4 Program Income estimated to be generated by activities conducted in 2014 with HOME funds, will
5 amount to the sum of Two Million Two Hundred Sixty Thousand Eight Hundred One Dollars
6 (\$2,260,801); and

7 WHEREAS, the City has identified certain known appropriation needs as summarized in
8 Exhibit A, and the City desires to appropriate the HOME Entitlement and Program Income Funds
9 for these needs and to establish and implement a program to guarantee in whole or in part
10 construction loans from private financial institutions; and

11 WHEREAS, it is estimated that the 2014 ESG Entitlement, together with previous year ESG
12 funds available for allocation, will amount to the sum of One Million One Hundred Fifty Seven
13 Thousand Five Hundred Dollars (\$1,157,942); and

14 WHEREAS, the City desires to appropriate the ESG Entitlement for needs related to the
15 purpose of the ESG program; and

16 WHEREAS, it is estimated that the 2014 HOPWA Entitlement, together with previous year
17 HOPWA funds available for allocation, will amount to the sum of One Million Two Hundred Fifty
18 Thousand Seventy Three Dollars (\$1,250,073); and

19 WHEREAS, the City desires to appropriate the HOPWA Entitlement for needs related to the
20 purpose of the HOPWA program.

21 NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS, AS FOLLOWS:

1 Section One. The Mayor of the City of St. Louis, on behalf of the City, is hereby authorized
2 and directed to submit an Annual Plan to the Department of Housing and Urban Development in
3 order to make application for the 2014 CDBG, HOME, ESG and HOPWA Entitlement Programs.

4 Section Two. There is hereby appropriated the sum of Sixteen Million Five Hundred
5 Ninety Six Thousand Eight Hundred Eighty One Dollars (\$16,596,881) of 2014 CDBG funds for
6 the purposes described in Exhibit A incorporated herein by reference. The Director of CDA is
7 hereby authorized to make, negotiate and execute any and all contracts or other documents,
8 including disbursing agreements and/or other agreements associated with lump sum drawdowns
9 intended to facilitate property rehabilitation activities, including agreements associated with
10 guarantees in whole or in part of construction loans from private financial institutions, and including
11 agreements associated with the establishment and implementation of a procedure for providing
12 financial assistance to CDBG-eligible undertakings through float loan financing, on behalf of the
13 City, which are necessary to carry out the City's CDBG and HOME programs and to expend said
14 funds for the purposes and in the amounts specified in Exhibit A attached hereto, and the
15 Comptroller is authorized and directed to issue warrants upon the City Treasury for payment
16 thereon. The Director of CDA is further authorized to transfer funds among the purposes described
17 in Exhibit A with the approval of the Board of Estimate and Apportionment, to substitute HOME
18 funding for CDBG funding budgeted pursuant to this ordinance with the approval of the Board of
19 Estimate and Apportionment, and, to the extent that additional Tax Increment Financing Revenue,
20 program income and/or other funds become available that reduce the amount of new CDBG funds
21 required to make the Section 108 loan payment, to add the amount of the CDBG Section 108 loan
22 payment reduction to the Citywide housing production allocation, provided that the Board of
23 Estimate and Apportionment shall approve the expenditure of such funds.

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1 Section Three. There is further hereby appropriated the sum of Two Million Two Hundred
2 Sixty Thousand Eight Hundred One Dollars (\$2,260,801) of 2014 HOME Funds for the purposes
3 described in Exhibit A incorporated herein by reference. The Director of CDA is hereby authorized
4 to make, negotiate and execute any and all contracts or other documents including agreements
5 associated with guarantees in whole or in part of construction loans from private financial
6 institutions, on behalf of the City, which are necessary to carry out the City's HOME programs and
7 to expend said funds, and the Comptroller is authorized and directed to issue warrants upon the City
8 Treasury for payment thereon. The Director of CDA is further authorized to transfer funds among
9 the purposes described in Exhibit A with the approval of the Board of Estimate and Apportionment
10 and to substitute CDBG funding for HOME funding budgeted pursuant to this ordinance with the
11 approval of the Board of Estimate and Apportionment. At least fifteen percent of the aforesaid 2014
12 HOME funds, or Three Hundred Thirty Nine Thousand One Hundred Twenty Dollars (\$339,120),
13 must be committed to projects to be undertaken by certified Community Housing Development
14 Organizations (CHDOs).

15 Section Four. There is further appropriated the sum of One Million One Hundred Fifty
16 Seven Thousand Nine Hundred Forty Two Dollars (\$1,157,942) of 2014 ESG Funds. The
17 Director of the Department of Human Services is hereby authorized to make, negotiate and execute
18 any and all contracts or other documents on behalf of the City which are necessary to carry out the
19 City's ESG programs and to expend said funds, and the Comptroller is authorized and directed to
20 issue warrants upon the City Treasury for payment thereon.

21 Section Five. There is further appropriated the sum of One Million Two Hundred Fifty
22 Thousand Seventy Three Dollars (\$1,250,073) of 2014 HOPWA Funds. The Director of Health
23 and Hospitals is hereby authorized to make, negotiate and execute any and all contracts or other

1 documents on behalf of the City which are necessary to carry out the City's HOPWA programs and
2 to expend said funds, and the Comptroller is authorized and directed to issue warrants upon the City
3 Treasury for payment thereon.

4 Section Six. This being an ordinance necessary for the immediate preservation of the
5 public peace, health and safety and making appropriations for the payment of principal and
6 interest on public debt and for the current expenses of the City government, an emergency is
7 hereby declared to exist within the meaning of Section 20, Article IV, of the Charter and this
8 ordinance shall be in full force and effect immediately upon its passage and approval by the
9 Mayor.